



TESTIMONY IN SUPPORT OF HB 889

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Together, the reforms in HB 889 have one simple goal—get the right benefits to the right people in public assistance programs like Medicaid and food stamps.

Maryland isn't doing that simple task very well today. The state has an error rate in food stamps of 8.4 percent.¹ And, according to a performance audit from the Office of Legislative Audits, Maryland's Medicaid program integrity, even before the COVID-19 pandemic, was on an unsustainable trajectory.²

Maryland's improper payment rate in Medicaid increased by 40 percent between 2014 and 2016 and the federal government estimates that Maryland spent \$382 million in improper payments in 2016 alone.³ And this only includes improper payments made in Maryland's fee-for-service model and there is good reason to believe it pales against improper payments today.

Why? The audit points out that Maryland does not have controls "adequate to identify and prevent improper payments."⁴ For example, the audit estimates that in only two years, Maryland made \$9.6 million of potential improper Medicaid payments on behalf of individuals who were incarcerated."⁵

Maryland cannot afford this level of waste, fraud, and abuse. After all, Maryland spent 16.8 percent of its state budget on Medicaid in 2000, compared to over 22.8 percent today, crowding out other priorities like public safety, education, and infrastructure.⁶

Solutions are out there—and they are simple. The same audit which identified these systemic issues in Medicaid outlined common-sense fixes. The audit encouraged Maryland's Medicaid program to "take steps to effectively identify and analyze improper Medicaid payments through its program integrity operations by...implementing a robust system of data analytics based on a risk-based approach that incorporates cross-matching, geo-mapping, and trend analysis to proactively highlight irregularities in Medicaid payment activity."⁷

HB 889 is a step in that direction. By requiring monthly data cross-checks of public assistance enrollment against death, lottery, and gambling records and quarterly cross-checks against tax and income records, Maryland can begin to strengthen the safety net by removing the ineligible more quickly.

Maryland already has these records. This bill simply says: Let's use the data we have and double-check that folks are still eligible.

Finally, it is critical to note the stakes. This will do more than save tax dollars and move able-bodied Marylanders back to work. It will protect the truly needy who rely on programs like Medicaid and food stamps to work.

This is not an abstraction. Today, more than 30,000 individuals with disabilities are stuck on Medicaid waiting lists for optional, home and community-based health care benefits in Maryland.⁸

Every dollar spent on someone ineligible for Medicaid is a dollar which cannot support increased services for these individuals. Without reform, these lists will continue to grow.

Simply put, Maryland is on a catastrophic path for individuals with disabilities.

HB 889 pulls the steering wheel in a more sustainable direction to strengthen the safety net, defend taxpayers, and protect the truly needy.

The Opportunity Solutions Project is pleased to offer our support for this legislation.

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¹ Food and Nutrition Service, “Fiscal Year 2019 SNAP Quality Control Payment Error Rates” US Department of Agriculture (2019), <https://fns-prod.azureedge.net/sites/default/files/resource-files/FY2019SNAPQCPaymentErrorRateChartGeneric.pdf>.

² Office of Legislative Services, “Maryland Department of Health Efforts to Identify and Analyze Improper Medicaid Payments Performance Audit,” Maryland Office of Legislative Audits (2020), <https://www.ola.state.md.us/umbraco/Api/ReportFile/GetReport?fileId=5ef4ae23a1ce580a44d22e32#:~:text=Improper%20claim%20payments%20can%20result,Maryland's%20Medicaid%20managed%20care%20program>.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Nicholas Horton, “The Medicaid Pac-Man: How Medicaid is consuming state budgets,” Foundation for Government Accountability (2019), <https://thefga.org/wp-content/uploads/2019/10/Medicaid-Pac-Man-Paper-2.pdf>

⁷ Ibid.

⁸ “Waiting list enrollment for Medicaid section 1915(c) home and community-based services waivers,” Kaiser Family Foundation (2022), <https://www.kff.org/health-reform/state-indicator/waiting-lists-for-hcbs-waivers/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>